

**Introduced by Senator Blakeslee**

February 15, 2011

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An act to add Section 25235 to the Public Resources Code, relating to electricity.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 372, as introduced, Blakeslee. Distributed generation.

The existing Warren-Alquist State Energy Resources Conservation and Development Act establishes the State Energy Resources Conservation and Development Commission (Energy Commission). Existing law requires the Energy Commission to undertake a continuing assessment of trends in the consumption of electricity and other forms of energy and to analyze the social, economic, and environmental consequences of those trends and to collect from electric utilities, gas utilities, and fuel producers and wholesalers and other sources, forecasts of future supplies and consumption of all forms of energy.

This bill would require each large electrical corporation, as defined, and large local publicly owned electric utility, as defined, to identify and designate zones within their service territory that are optimal for deployment of distributed generation, and to provide this information to the Energy Commission by December 31, 2012. The bill would require the Energy Commission, in consultation with the Public Utilities Commission (PUC), to develop guidelines for those electrical utilities to utilize in identifying and designating those zones. The bill would require the Energy Commission to review each electrical utility's designation of zones that are optimal for deployment of distributed generation and approve or disapprove the designation of zones made by each electrical utility. The bill would require that, upon approval by

the Energy Commission, that each electrical utility make this information available on its Internet Web site.

Under existing law, the PUC has regulatory authority over public utilities, including electrical corporations, as defined. Existing law requires the PUC, in consultation with the Energy Commission, to administer, until January 1, 2016, a self-generation incentive program for distributed generation resources and to separately administer solar technologies pursuant to the California Solar Initiative.

This bill would declare the intent of the Legislature that in supervising and administering the California Solar Initiative and self-generation program, that the PUC give priority to those distributed generation projects that are proposed to be located within zones designated by an electrical corporation to be optimal for deployment of distributed generation. The bill would additionally state the intent of the Legislature that the PUC review current rules, pertaining to interconnection, to facilitate interconnections of distributed generation facilities within those zones.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 25235 is added to the Public Resources
- 2 Code, to read:
- 3 25235. (a) For purposes of this section, the following terms
- 4 have the following meanings:
- 5 (1) "Large electrical corporation" means an electrical
- 6 corporation as defined in Section 218 of the Public Utilities Code,
- 7 that has 100,000 or more service connections.
- 8 (2) "Large local publicly owned electric utility" means a local
- 9 publicly owned electric utility as defined in Section 224.3 of the
- 10 Public Utilities Code, that has 100,000 or more service connections.
- 11 (b) In order to advance the state's policy to promote efficient
- 12 and effective investments in renewable, ultra-clean, and low
- 13 emission distributed generation, and in order to ascertain the
- 14 potential benefits and impacts of future deployments of distributed
- 15 generation, each large electrical corporation and large local publicly
- 16 owned electric utility shall identify and designate zones within
- 17 their service territory that are optimal for deployment of distributed

1 generation so as to not conflict with federal electrical reliability  
2 standards, while achieving at least one of the following objectives:

3 (1) Relieve congestion on the local electrical distribution grid.

4 (2) Provide more economical generational resources than what  
5 is currently available.

6 (c) (1) The commission, in consultation with the Public Utilities  
7 Commission, shall develop guidelines for large electrical  
8 corporations and large publicly owned electric utilities to utilize  
9 in identifying and designating zones within their service territory  
10 that are optimal for deployment of distributed generation.

11 (2) On or before December 31, 2012, each large electrical  
12 corporation and large publicly owned electric utility shall provide  
13 the commission with information identifying those zones within  
14 their service territory that it determines are optimal for deployment  
15 of distributed generation. The commission shall review each  
16 utility's designation of zones that are optimal for deployment of  
17 distributed generation and approve or disapprove the designation  
18 of zones made by each utility. If disapproved, the commission  
19 shall indicate in what manner the designation should be revised  
20 and order the utility to promptly submit a designation that corrects  
21 the deficiency.

22 (3) Upon approval by the commission, each large electrical  
23 corporation and large publicly owned electric utility shall make  
24 this information available on its Internet Web site so that it appears  
25 when a term search is performed on that Internet Web site using  
26 the term "distributed generation."

27 (4) Each large electrical corporation and large publicly owned  
28 electric utility shall periodically update its designation of zones  
29 that are optimal for deployment of distributed generation, as  
30 circumstances change, and provide this information to the  
31 commission and make that information available on the utility's  
32 Internet Web site.

33 (d) An electrical corporation that is not a large electrical  
34 corporation, or a local publicly owned electric utility that is not a  
35 large local publicly owned electric utility, may identify and  
36 designate zones within their service territory that are optimal for  
37 deployment of distributed generation.

38 SEC. 2. The Legislature finds and declares that the Public  
39 Utilities Commission should do both of the following:

1 (a) In supervising and administering the California Solar  
2 Initiative, pursuant to Article 1 (commencing with Section 2851)  
3 of Chapter 9 of Part 2 of Division 1 of, and the self-generation  
4 program pursuant to Section 379.6 of, the Public Utilities Code,  
5 give priority to those distributed generation projects that are  
6 proposed to be located within zones designated by an electrical  
7 corporation to be optimal for deployment of distributed generation  
8 pursuant to Section 25235 of the Public Resources Code.  
9 (b) Review current rules, pertaining to interconnection, to  
10 facilitate interconnections of distributed generation facilities within  
11 those zones.